

## Message Text

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C O N F I D E N T I A L PONTA DELGADA 0473

E.O. 11652: GDS

TAGS: PINT, PFOR, PO

SUBJ: MOTA AMARAL REPORTS ON LISBON TRIP

SUMMARY:MOTA AMARAL TOLD THE REGIONAL ASSEMBLY HIS TRIP TO LISBON WAS INCONCLUSIVE. HE SAID THE AZORES NEEDS TECHNICAL AND FINANCIAL ASSISTENCE, BUT AZOREANS SHOULD NOT STAY ON THEIR KNEES. THEY SHOULD STAND UP AND WALK ON THEIR OWN AND CHOOSE THEIR ASSISTANCE WITHIN CONSTITUTIONAL BOUNDS. COMMENT: IF THE GOP WILL NOT PROVIDE THE REGIONAL GOVERNMENT WITH THE MONEY IT NEEDS, THEN THE LAJES BASE AGREEMENT BECOMES THE AZORES' ONLY SOURCE OF FUNDS.

1. DURING THE NOVEMBER 18 SESSION OF THE REGIONAL ASSEMBLY MOTA AMARAL, PRESIDENT OF THE REGIONAL GOVERNMENT, REPORTED ON HIS RECENT TRIP TO LISBON WHICH HE CHARACTERIZED AS INCONCLUSIVE. HE LISTED THE UNSATISFACTORY ASPECTS FIRST:

--THE REGION PROPOSED THAT PERIPHERAL GOVERNMENT SERVICES (THOSE PROVIDED NOW BY THE GOP WHICH CONSTITUTIONALLY MAY PASS TO REGIONAL GOVERNMENT, EG. PORT AUTHORITIES, FOREST SERVICE, ECT.) COME UNDER ITS CONTROL BUT THE GOP CONTINUE TO FINANCE

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THEM. THE GOP HAD NOT CONSIDERED THE REGIONAL GOVERNMENT'S

PLAN SUBMITTED A MONTH EARLIER SO THE ONLY AGREEMENT POSSIBLE WAS TO ESTABLISH A COMMISSION TO STUDY THE QUESTION. MOTA AMARAL SAID THE INCAPACITY OF THE GOP EXCEEDED THE MOST PESSIMISTIC REPORTS.

-- THE REGION WAS COUNTING ON THE GOP FINANCING ITS BUDGET DEFICIT, BUT THE FINANCE MINISTRY SUGGESTED THAT THE DEFICIT BE FINANCED BY A LOAN. MOTA AMARAL SAID IT WOUNDS AZOREANS THAT THEY ARE DENIED THE ASSISTANCE GIVEN SOME EX- COLONIES AND MANY NATIONALIZED COMPANIES. IF THE GOP PERSISTS IN THIS IDEA IT WILL BE NECESSARY FOR THE REGIONAL ASSEMBLY TO TAKE A STAND TO SAFEGUARD AZOREAN INTERESTS IN RELATION TO THE LAJES BASE NEGOTIATIONS.

-- THE GOP HAS NOT PAID THE SUBSIDIES IT LEGALLY OWES TO THE MUNICIPAL GOVERNMENTS IN THE AZORES. THE GOP ARGUED THAT THE MONEY GRANTED THE REGIONAL JUNTA SHOULD HAVE BEEN USED FOR THIS. MOTA AMARAL EXPLAINED THAT THE FUNDS GIVEN THE REGIONAL JUNTA WERE TO COVER ITS ADMINISTRATIVE COSTS. TO REFUSE TO PAY THESE SUBSIDIES WOULD BE A SCANDALOUS DISCRIMINATION AGAINST THE AZORES AND JEOPARDIZE LOCAL ADMINISTRATION.

2. MOTA AMARAL DISCUSSED THE FOLLOWING AGREEMENTS REACHED WITH THE GOP:

-- PRINCIPLES OF COLLABORATION BETWEEN THE MINISTRY OF THE INTERIOR AND THE REGIONAL SECRETARY FOR PUBLIC ADMINISTRATION WERE ESTABLISHED.

-- THE FINANCE MINISTRY AGREED TO BEGIN IMMEDIATE STUDY OF THE BALANCE OF PAYMENTS OF THE AZORES. THE STUDY WHICH SHOULD BE FINISHED BY MARCH IS IMPORTANT FOR THE FUTURE CREATION OF A FOREIGN EXCHANGE ACCOUNT OF THE AZORES.

-- THE REGIONAL GOVERNMENT WILL HAVE THE POWER TO ADMINISTER TAXES COLLECTED IN THE REGION.

-- THE FOREIGN MINISTRY AGREED THAT A REPRESENTATIVE OF THE REGIONAL GOVERNMENT A MEMBER OF THE PERMANENT LUSO-FRANCO COMMISSION TO EXECUTE THE FLORES BASE AGREEMENT.

-- THE FOREIGN MINISTRY ALSO AGREED TO THE PRINCIPLE THAT DELEGATES FOR THE AZOREAN GOVERNMENT BE PART OF THE PORTUGUESE DELEGATION TO INTERNATIONAL CONFERENCES ON SUBJECTS OF INTEREST TO THE AZORES.

THE RULES WERE ESTABLISHED GOVERNING THE RELATIONSHIP BETWEEN  
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THE NATIONAL AND REGIONAL PLANNING UNITS.

-- AN AGREEMENT WITH THE SUB-SECRETARY OF STATE FOR SOCIAL COMMUNICATION ON THE OPERATION OF THE PRESS OFFICE IN THE AZORES WAS REACHED.

3. MOTA AMARAL EMPHASIED THAT HE HAD ONLY VERBAL AGREEMENTS FROM THE GOP, WHICH WAS ENOUGH FOR AZOREANS. HOWEVER AFTER HIS RETURN THE REGIONAL GOVERNMENT RECEIVED A COMMUNICATION FROM

THE SECRETARY OF STATE FOR SOCIAL COMMUNICATION ORDERING THE OPPOSITE OF WHAT HAD BEEN AGREED TO. THE REGIONAL GOVERNMENT HAS OPPOSED THIS ARBITRARY DECISION AND HAS REQUESTED ITS REVOCATION. THE WORST OF ALL IS THAT THIS DECISION CASTS A DARK CLOUD OVER THE RESULTS OF THE ENTIRE TRIP. HE HOPED THAT THE OTHER AGREEMENTS WOULD BE RESPECTED.

4. FINALLY, MOTA AMARAL UNDERLINED THAT THE AZORES NEEDS TECHNICAL AND FINANCIAL ASSISTANCE FOR ECONOMIC AND SOCIAL DEVELOPMENTS. BUT, HE STATED, THIS WAS NO REASON FOR AZOREANS TO STAY ON THEIR KNEES. "WE NEED TO BE ALLOWED TO STAND UP AND WALK ON OUR OWN AND CHOOSE OUR ASSISTANCE WITHIN THE BOUNDS OF THE CONSTITUTION." HE SAID THE CONSTITUTION WAS NOT IN QUESTION, BUT THE CENTRALIST AND IMPERIALIST TRADITION OF LISBON THAT WANTS TO CONTROL EVERYTHING. AZOREANS OPPOSE AND PROTEST AGAINST THIS TRADITION.

5. DURING THE SPEECH MOTA AMARAL HAD WORDS OF PRAISE FOR THE MINISTER OF THE REPUBLIC, GEN. GALVAO DE FEGUEIREDO, AND FOR PRESIDENT EANES. HE CALLED THE NATIONAL GOVERNMENT INCOMPETENT SEVERAL TIMES, BUT SAID HIS GOVERNMENT COULD WORK WITH IT.

6. MOTA AMARAL EXPLAINED PRIVATELY HIS REFERENCE TO THE REGIONAL ASSEMBLY AND THE LAJES BASE NEGOTIATIONS. THE REGIONAL GOVERNMENT WILL INTRODUCE A MOTION SAYING THAT THE LARGE SHARE (GRANDE PARTE) OF THE BENEFITS OF THE BASE AGREEMENT SHOULD GO TO THE AZORES. HE EXPECTS THIS TO RECEIVE UNANIMOUS SUPPORT IN THE REGIONAL ASSEMBLY. ON THE QUESTION OF BASE NEGOTIATIONS THERE IS 100 PER CENT AGREEMENT AMONG AZOREANS. HE THOUGHT THE REGIONAL GOVERNMENT'S PROBLEMS WITH THE GOP WERE BEING CREATED DELIBERATELY BY SOME IN LISBON WHO HOPE TO PROVOKE AN AZOREAN REACTION TO USE TO THEIR OWN POLITICAL ADVANTAGE.  
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THEY DID NOT REALIZE THAT THE PS IN THE AZORES WOULD SUPPORT THE REGIONAL GOVERNMENT ON THE QUESTION OF BASE NEGOTIATIONS. HE WAS CONCERNED ABOUT PLANNING FOR THE LAJES NEGOTIATIONS BECAUSE THE GOP HAD FORMED A COMMITTEE WITH REPRESENTATIVES FROM THE VARIOUS MINISTRIES TO DRAW UP A SHOPPING LIST. THE REGIONAL GOVERNMENT WAS INVITED TO PARTICIPATE, BUT THIS WAS UNACCEPTABLE SINCE THE AZOREANS WOULD JUST BE ONE AMONG MANY PARTICIPANTS. HE THOUGHT THAT UNDER THE NEW BASE AGREEMENT THE AZORES SHOULD RECEIVE ALL THE TECHNICAL ASSISTANCE AND HAVE PRIORITY USE OF A SHARE OF THE CREDITS GRANTED. THE REGION HAS IDENTIFIED THE INFRASTRUCTURE INVESTMENTS REQUIRED, NOW IT NEEDS MONEY AND TECHNICAL ASSISTANCE.

7. COMMENT: MOTA AMARAL'S HARSH WORDS FOR THE GOVERNMENT ARE PARTIALLY MOTIVATED BY PARTISAN POLITICS, AND PARTIALLY

BY THE GOP'S LACK OF SUPPORT FOR THE AZORES ESPECIALLY IN  
THE FINANCIAL AREA. AZOREANS HAVE LONG FELT THAT THEY HAVE NOT  
RECEIVED THEIR FAIR SHARE OF THE NATIONAL BUDGET ON A PER  
CAPITA BASIS. THEY BELIEVE THAT THE GOP SHOULD SUBSIDIZE THE  
REGION AS THE PRICE OF SOVEREIGNTY. THE REGIONAL GOVERNMENT  
MUST GET OUTSIDE FINANCING IF IT IS TO ACCOMPLISH ANYTHING.  
IF THE GOP WILL NOT PROVIDE THIS, THEN THE LAJES BASE AGREEMENT  
BECOMES THE AZORES ONLY SOURCE OF FUNDS TO COVER ITS  
BUDGET DEFICIT AND FINANCE DEVELOPMENT.

8. MOTA AMARAL IS A MODERATE AND TAKES MODERATE POSITIONS  
VIS-A-VIS LISBON. MANY HERE, BOTH WITHIN AND WITHOUT THE

PPD/PSD, DO NOT.  
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